The corresponding figures for the year ending 1938 August 16th (as per the Revised Estimate of the current financial year) are

Income	Expenditure
Rs.	Rs.
98,64,400	1,01,34,800

43. Including the income and expenditure under Debt Head transactions as well, the total receipts both ordinary and debt heads together came to Rs. 61,21,709 in 1918 and would come to Rs. 1,35,55,000 in 1938 while the corresponding expenditure for the two years are Rs. 58,50,620 in 1918, Rs. 1,33,33,300 in 1938.

44. This brings to our minds in clear relief the great advance the State has made financially in the last two decades and the extent and volume of its monetary resources at present. With the ordinary or revenue receipts of over a crore of rupees a year and the total ordinary and debt head receipts of over Rs. 1·15 crores a year the State would take a high rank in the group of the larger of the Indian States. There are not many among the latter who have a recurring annual income of over a crore of rupees.

45. Lastly before leaving the State Budget I should solicit the attention of the Hon'ble Members to the financial position of the State for the year 1114. A detailed statement of the assets and liabilities of the State is given at page v of the printed Budget Estimate. On the liability side have been shown the loans received from the public to the extent of one crore and five lakhs of rupees, the advances from the Government of India and the usual Personal Deposit Funds, Suspense account and Remittances. On the assets side have been shown the Capital outlay on Railway, Stone-ware Factory, the Electric Works, Water Supply schemes, etc. Also investments in short-term deposits in banks, in Government securities and in companies have been shown on this side. So also loans and advances repayable to the Government by individuals or public bodies. The net result of the various commitments of the State both on the assets and on the liabilities side is that the assets are expected to rise over the liabilities to the extent of one crore, six lakhs, and ninety thousand rupees by the end of 1114. This is one more satisfactory feature of the State's finances and is another sure indication of its sound position.

The Financial position of the State: its assets and liabilities.

CRANGANUR PRINCIPALITY BUDGET ESTIMATES.

46 Before finishing my speech I should remind the House that besides the State Budget we are also to consider the Budget for the Cranganur Principality.

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47. Small in extent and exceedingly limited in resources, Cranganur has always been a problem to the Government so far as its public finances are concerned. Though administratively a part of the Cochin State and though it is subjected to the entire jurisdiction of the State Civil and Criminal Courts it has always been the practice to keep a separate budget and maintain separate accounts for the Cranganur Principality and in consonance with this tradition a separate budget for the Principality has been submitted to the House. The succeeding budgets of the past several years will show that it has always been difficult to limit the expenditure of the five villages that constitute Cranganur to the income from these five villages.

48. Several suggestions have been made to transfer portion of the State income to Cranganur and to take over portion of the expenditure of the Principality to the State Budget. The suggestions have been to give to the Principality a portion of the Salt, Excise and other similar revenues, to see that only officers of the junior-most grade (where there are more than one grade among the same class of officers) are appointed to the Cranganur Principality, to facilitate transfer of senior officers if any working in Cranganur to the State just on the eve of their retirement so that Cranganur may not have to bear the pension charges—all these and few more such suggestions have been considered and as many of them as are practicable have been accepted. But in spite of all these the Budget of this Principality refuses to balance.

49. And the reason for that is not far to seek. Though the State's resources and income are proportionately much higher than that of Cranganur, expenditure on Education, Public Works, Medical, Public Health, Panchayats, etc., Departments, is maintained in Cranganur on the same high scale as obtains is the State. And therefore naturally the budget of the Principality should invariably end in a deficit.

50. The year 1112 closes with a deficit of Rs. 11,812. The budget of 1113 was expected to close with a deficit of Rs. 23,640 but according to the revised estimate it is found that this deficit might be reduced by Rs. 4,650. This is on account of a slight increase in the income and a slight fall under expenditure of the current year. The variations under the several heads are so minor as not to call for any detailed remarks from me.

51. For the coming year the income of the Principality is expected to come to Rs. 1,96,910 and its expenditure to

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Rs. 2,24,870. The deficit would be Rs. 27,960. This is due to the larger expenditure provided under Public Works, Education, Panchayats and Medical.

52. It will not be possible for long to go on with a recurring deficit like this. The cash investments of the Principality have come down from Rs. 1,27,364 to Rs. 16,364. Rs. 1,11,000 had to be withdrawn mostly to repay to the State the outstandings against the Principality and partly to replenish the Cranganur Treasury balance. A solution of the Cranganur Finance has therefore become imminent and let us hope that ere long a solution satisfactory to all will be found.

The House rose for the day at 12-40 p. m.

Mr. B. V. KRISHNANKUTTY MENON,

Secretary to the Council.

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